TESTIMONY

of

PAUL GADOURY

before the

PUBLIC UTILITIES COMMISSION

FOR

AN ABBREVIATED FILING

for

PROVIDENCE WATER

June, 2002

- 1 Q. Please state your name and your position?
- 2 A. Paul Gadoury, Director of Engineering for the Providence 3 Water Supply Board (Providence Water).

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- Q. How long have you been employed by Providence Water and held this position?
- 7 A. I have been employed since April of 1974 or approximately 8 28 years. I have held the position of Director of 9 Engineering since November of 1990.

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- Q. Would you please state your education, background and professional associations?
  - A. I graduated Magna Cum Laude from the University of Rhode Island in 1971 with a Bachelor's Degree in Civil Engineering. I am a Registered Professional Engineer in the State of Rhode Island and the Commonwealth of Massachusetts. I am also a Registered Professional Land Surveyor in the State of Rhode Island. My background includes experience in construction and 28 years of employment with Providence Water.

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- 22 Q. Please explain your duties and responsibilities.
- 23 My duties involve the oversight and direction of all Α. 24 engineering activities at Providence Water, including 25 operational engineering and engineering records 26 maintenance activities, expansions to the 27 including new customer tie-ins and system additions, and 28 the planning and implementation of Providence Water's 29 Capital Improvement (CIP) and Infrastructure Replacement 30 (IFR) Programs.

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### Q. What issues are being addressed in this testimony?

3 Addressed in this testimony is 1) A request to extend the Α. 4 funding that has been authorized for the installation of 5 valves in the 102" aqueduct at the Warwick wholesale connection to allow us to install similar valving in the 6 7 78" aqueduct at the Kent County Water Authority wholesale 8 connection; and 2) A request for additional rate relief 9 in the amount of \$400,000 annually for what will be new 10 and ongoing operating and maintenance costs for our 11 sludge lagoons located downstream of the 12 Reservoir dam into which flows water treatment process 13 residuals (sludge) from our treatment plant.

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#### 1) 78" Aqueduct Valves

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## Q. Could you please explain the need for the valves in the 78" aqueduct?

20 Valves are needed at the Kent County wholesale connection Α. 21 in the 78" aqueduct for the same reason the valves were 22 needed in the 102" aqueduct at the Warwick wholesale 23 The 78" diameter aqueduct and the 102" connection. 24 diameter aqueduct are both part of the same aqueduct 25 system. The aqueduct begins at the treatment plant as a 26 78" diameter line which later transitions to 102" in 27 Kent County's Clinton Avenue 28 connection, which is the primary supply source for their 29 system, is located directly off of the 78" agueduct. 30 This connection depends completely on the integrity and

continued service of the entire 4 mile long section of this aqueduct. Should the 78" line go out of service, Kent County would lose this connection entirely. In this respect, Kent County may be even more vulnerable than Warwick is off of the 102" aqueduct. Warwick could, at least during the lower demand winter season, sustain itself off its alternate 30" Pettaconsett connection. Kent County, on the other hand, depends primarily on this Clinton Avenue connection and loss of that connection would seriously jeopardize its water supply.

In addition to the possibility of a failure of this aqueduct, Providence Water needs to conduct an interior inspection of the 78" section of the aqueduct line, similar to what was done on the 102" section. An inspection of this 78" line, in addition to the 102", was a recommendation of the vulnerability assessment study that Providence Water commissioned following the failure of the 102" aqueduct in November 1996. At present, there is no way to shut down the 78" section without putting Kent County out of service. Valves are needed to allow the shutdown of the 78" to inspect it and conduct any needed rehab work while continuously maintaining Kent County's supply, and to safeguard Kent County against any accidental loss of the line.

### Q. Has Providence Water done any planning work relative to the installation of these valves?

A. Yes. Following PUC authorization in the Docket 3163 rate order for \$1 million in funding for the installation of

valves at Warwick's 102" connection, Providence Water prepared a bid package for having these valves installed. Recognizing the need for similar valving at the Kent County connection, Providence Water solicited prices in this bid for optionally installing valves at the Kent County connection also, with the hope of securing favorable pricing by bidding it in concert with the 102" valve project, and with the intention of petitioning the PUC for authorization for this additional cost should the pricing be considered acceptable.

#### Q. Have you obtained prices for installing these valves?

A. Yes we have. The bids came in as follows:

102" valving only: \$836,650

78" valving only: \$1,015,980

\$1,852,630

78" & 102" under

18 same contract: \$1,742,750

In accordance with this bid, prices for doing each of the valve locations as individual projects under two separate individual contracts would cost \$1,852,630. Through economies of scale and similar design effort, both valve locations can be done under the same contract for \$1,742,750 for a savings of \$109,880.

### Q. Is it Providence Water's opinion that the Kent County valves should be done also at this price?

29 A. Yes. While the price for installing the valving on the 30 78" aqueduct is higher than on the 102" line, this is

because of the fact that Kent County's connection cannot be taken out of service at any time during the construction. The valving must therefore be installed while keeping the 78" line in continuous service. This requires the hiring of specialty firms to install "linestopping" equipment. This contrasts with the easier task of installing valving at Warwick's connection on the 102" line where the connection can be put out of service during the winter months to facilitate the work. the construction under this same contract not only saves \$109,880, but it will enable this more difficult valving job to be done by the same firm that will have gained familiarity and experience by having already done the similar 102" valving. Finally, similar to the Warwick connection, full protection will then be in place to Kent County's critical wholesale connection in the event of a break at any location in the aqueduct, and Providence Water will be afforded the ability to shut down the aqueduct for conducting the upcoming needed inspections on the 78" line, along with any needed corrective work.

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### Q. When is Providence Water proposing to have this work done?

A. The 102" valving is being proposed to be done this year under the Design/Build project that has been awarded. The design work under this contract is presently underway. Advance preparatory site work and the installation of auxiliary piping will be started this summer. Plans are to shut down the 102" aqueduct and the Warwick connection in October for the installation of the valving on the aqueduct. Plans are to continue with the installation of

1		78" valving under the same contract during the following
2		Fall 2003/Winter 2004 season. At present, the contract
3		is in place to perform the work under this schedule if
4		the funding authorization is approved.
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6	Q.	How is Providence Water proposing to fund this valving of
7		the 78" aqueduct?
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9	Α.	In the Docket 3163 rate order, the Commission authorized
10		\$500,000 in annual revenue to be restricted for funding
11		the 102" aqueduct valving, the cost of which was
12		estimated at the time to be \$1 million. The Commission
13		stipulated that the \$500,000 would thereafter be directed
14		into the IFR fund annually. Providence Water is
15		requesting that rather than being directed to the IFF
16		fund after \$1,000,000 (2 years), this annual \$500,000
17		continue to be directed annually into the same valve fund
18		for continuing on with the 78" valving. After payment of
19		both valve projects, the monies would then be directed to
20		the IFR fund.
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23		2) Sludge Lagoon Operation and Maintenance
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25	Q.	Could you please explain what the sludge lagoon operation
26		and maintenance costs are about?
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28	А.	Since the beginning of the Providence Water Supply Board

Scituate Treatment Plant's operations, sludge generated by the treatment process has flowed to and been deposited

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into storage lagoons located downstream of the Scituate Reservoir dam. These lagoons are essentially large manmade ponds into which the discharged water/sludge mix from the water treatment process is sent. The intent of these lagoons is to provide detention time for the settling out of sludge solids prior to discharge of the decanted water to the Pawtuxet River. There are three of these lagoons, known as Lagoon 1A, 1B, and 2.

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Standard practice in the water treatment industry is to regularly remove accumulated sludge in settling basins so as to maintain the effectiveness of the basins in settling out sludge solids. In the past, however, these lagoons were never emptied of sludge. Instead, sludge was simply allowed to accumulate through the years. This led to the first two lagoons, 1A and 1B, becoming completely full and ineffective for sludge settling purposes. While they should have been functioning as settling basins, allowing sludge to settle out of the water before the excess water entered the Pawtuxet River, the water simply flowed over them in what had become eroded stream beds on the surface of the lagoons. such, no settling took place until the sludge/water mix reached the last basin in the process, Lagoon No. 2, from which the settled water discharges directly into the Pawtuxet River. The condition of these lagoons and the need for restoring them was recognized by Providence Water and was also pointed out in the standard Sanitary Survey assessment conducted by the RI Department of Health.

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In 1998, as part of its IFR program, Providence Water began the process of restoring these lagoons. included removing the accumulated sludge and restoring the lost storage capacity of the lagoons, rehabbing the lagoons' culvert system and flow control structures, and installing a system of drainage channels and flow controls that will allow Lagoon 1A and 1B to alternately taken off line for periods of time in the future. Presently, water and sludge flow through these lagoons is in series, first flowing through Lagoon 1A and then on to 1B. Under the new configuration, the basins will be able to each be alternately taken off line for a year or several years to "rest" and allow natural drying and thickening of the accumulated sludge to occur so that it can be most economically removed on a regular maintenance basis hereafter. Regularly removing the sludge, such as is standard practice in the water industry, will preserve the storage capacity detention time of the basins, and consequently their continued effectiveness.

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Plans are for the removal of sludge on a regular basis so as to not allow a net increase in sludge volume over time. Based on the current water treatment process, the dry weight of sludge production is projected to be 4,800 dry lbs/day. As shown in the attached Exhibit PG-1, based on this figure, the projected amount of sludge produced annually at a 20% solids concentration is 4,380 wet tons/yr. This is the average amount of sludge that would need to be removed annually from the lagoons at the estimated 20% solids concentration at which removal would

"theoretical" amount of sludge that should be produced annually as determined from chemical formula analyses, visual observations by both Providence Water and the specialty firm which has been removing and disposing of sludge as part of our lagoon rehabilitation project leads us both to believe that for some reason a greater volume than this may be getting produced. At this point, however, not having any other basis on which to project the annual volume, the theoretically predicted quantity (plus an added 20% contingency cost factor) is being used to estimate annual removal costs.

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Providence Water will need to enter into a contract with a specialty firm for the annual removal and suitable disposal of this sludge and will be soliciting bids for these services. The last quote received for this removal and disposal under the existing lagoon rehab project was for \$75 per wet ton. Applying this rate to the theoretical annual sludge volume, along with contingency factor of 20% to account for potentially higher bid costs and volumes of sludge produced, yields an added operations and maintenance cost of approximately \$400,000 annually to Providence Water for ongoing sludge removal and disposal services necessary to maintain the continued functionality of the settling lagoons.

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#### Q. Does this conclude your testimony?

29 A. Yes.